This record is a partial extract of the original cable. The full text of the original cable is not available.

C O N F I D E N T I A L SECTION 01 OF 02 YEREVAN 002114

SIPDIS

DEPT FOR EUR/CACEN, EUR/ACE, DRL

E.O. 12958: DECL: 09/24/2014
TAGS: PGOV PREL AM
SUBJECT: PARLIAMENTARY BY-ELECTION: POWERPLAY TUG-OF-WAR, PRESIDENTIAL WEATHERVANE

REF: YEREVAN 1938

Classified By: DCM AF Godfrey for reasons 1.4 (b) and (d).

SUMMARY

¶1. (C) The National Assembly Speaker-backed candidate won a controversial parliamentary by-election September 19 in a Yerevan suburb after the only remaining candidate (backed by Armenia's Procurator General) withdrew from the race only a few days earlier. Analysts viewed the election, which had to be re-run after accusations of mass irregularities, as a prelude to Armenia's next presidential election, highlighting a power struggle between NA Speaker Artur Baghdasaryan and Procurator General Aghvan Hovsepian to determine which camp had both high-level and popular support. President Robert Kocharian's hand was evident in the run-up to the election; neither party denied rumors that an early September meeting between the President and NA Speaker produced an agreement to have the Procurator General's candidate withdraw in exchange for future cooperation on upcoming legislative items important to Kocharian. Observers from "It's Your Choice" (a USG-supported NGO) noted fewer visible violations during the second balloting, but highlighted continued administrative glitches and problems with unauthorized police presence in most polling places. For the moment, dividing the proverbial power pie appears to remain more important than the democratic process. End Summary.

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BAGHDASARYAN'S CANDIDATE WINS AFTER PG'S MAN DROPS OUT
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¶2. (C) Artak Sargsian (backed by National Assembly Speaker and Orinats Yerkir party chairman Artur Baghdasaryan) defeated Araik Hairapetian (backed by Procurator General Aghvan Hovsepian) in the September 19 parliamentary by-election re-run in a Yerevan suburb. The win increased the current number of Orinats-Yerkir (Country of Law) members of parliament from 21 to 22. The election was re-run after the Central Election Commission declared the initial elections void due to an extremely small winning margin and following accusations of mass irregularities during the original August 29 balloting (reftel). In a surprise move, Hairapetian "unofficially" withdrew from the race on September 16. His name, however, still appeared on the ballot and he managed to grab 37 percent of the votes cast. Both candidates, well-connected businessmen with ties to light industry in central Armenia, were relatively unknown in political arenas leading up to the election. Their high-profile backers, both of whom have made veiled statements about their presidential aspirations in 2007, dominated news reports and speculation leading up to the election. Most viewed the election as the first real indication of their relative power, both at the ballot box and among the current political elite.

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KOCHARIAN-BAGHDASARYAN MEETING SETTLES THE MATTER?
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¶3. (C) President Robert Kocharian's hand was evident in the run-up to the election. Neither party, nor the President's office, denied rumors that an early September meeting between the President and NA Speaker produced an agreement to have the Procurator General's candidate withdraw in exchange for future cooperation on upcoming legislative items important to Kocharian. In fact, Kocharian's office confirmed that the meeting had taken place and that the issue was among the topics they discussed.

¶4. (C) Mikael Danielyan, Chairman of Armenia's Helsinki Commission, told DCM on September 22 that the election was "typical of our level of democratic development." He added that the word on the street is that Kocharian agreed that the Procurator General's candidate would receive an appointment as a Deputy Minister by year's end in exchange for his withdrawal from the race. Embassy sources close to Kocharian reported that the electoral stand-off put Kocharian in an awkward position that threatened to disrupt the delicate balance that he maintains within the GOAM. By finding a

mutually acceptable outcome for both the Speaker and
Procurator General's office, Kocharian reportedly avoided a
dissolution of power before the other legislative coalition
forces -- the Republican Party and ARF Dashnaksutyun Parties
-- were politically forced to take sides on the matter.

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BALLOTING GRADUALLY IMPROVES, BUT PROBLEMS REMAIN
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¶5. (SBU) Observers from "It's Your Choice" said there were
fewer visible violations during the second balloting on
September 19, but noted continued administrative glitches and
problems with unauthorized police presence in most polling
places. They also cited evidence of bribery of voters and
election officials, although these observations were not part
of their comments to the press. Local representatives of
international offices in Yerevan had clearly hoped for
greater improvement following last year's problematic
presidential and parliamentary elections.

COMMENT

¶6. (C) While the September 19 election did little to change
the balance of power within the National Assembly, it appears
to have slightly increased the value of Baghdasaryan's
political stock. Even though Kocharian appears to have
brokered the final deal, the withdrawal of the Procurator
General's candidate indicates that Baghdasaryan was either
more successful in persuading Kocharian to side with his
candidate or already had more of the President's favor in
comparison to the PG. Either way, and despite the rumored
concession prize of a deputy minister spot for the PG's
candidate, Baghdasaryan emerges as the real winner of this
particular election.

¶7. (C) The reduction in violations of electoral procedures
during this poll should not be interpreted as a step forward
in democratic practices, but merely the absence of a close
race. Power structures within the GOAM demonstrated that
this election in Armenia was still more about dividing the
spoils of power and influence than about the democratic
process.
EVANS